

**VA Life Insurance
USSOCOM Care Coalition Conference 2015**

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U.S. Department
of Veterans Affairs

Why Should You Care About VA Life Insurance?

- Many injured and ill members are unable to get life insurance in the private insurance market – or only at higher rates – due to their disabilities.
- Many injured and ill Veterans are eligible for free VA life insurance when they separate from service.
- With your efforts, you can ensure injured and ill Veterans obtain lifetime VA life insurance coverage without any health review.

Today's Presentation Objectives

- Learn the eligibility requirements and benefits of each VA life Insurance program that members or their spouses may be eligible for
- Learn about the application forms necessary to apply for each VA Life Insurance benefit
- Learn who can apply for the benefits and how you can assist members in applying
- Learn who you can call to obtain assistance in determining eligibility for benefits and applying for insurance

Agenda

1. Servicemembers' Group Life Insurance (SGLI)
2. SGLI Disability Extension &
3. Veterans' Group Life Insurance (VGLI)
4. Family SGLI
5. Accelerated Benefit Option (ABO)
6. SGLI Traumatic Injury Protection (TSGLI)
7. Beneficiary Financial Counseling Service (BFCFS)
8. Service-Disabled Veterans' Insurance (S-DVI)
9. Veterans' Mortgage Life Insurance (VMLI)
10. Claims Filing & Where to Obtain More



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Servicemembers' Group Life Insurance (SGLI)

- Most Servicemembers have coverage – automatic unless declined
- \$400,000 maximum coverage
- Available in increments of \$50,000
- Premiums deducted from members' pay
- Member can decline or choose lesser coverage amounts by completing the SGLV-8286
- Once declined or reduced, member must prove good health to reapply for coverage using SGLV-8286

Servicemembers' Group Life Insurance (SGLI)

- SGLI remains in effect for 120 days after separation from service – free of charge
- Totally disabled Servicemembers can retain coverage for free for two years after separation
- Convertible to Veterans' Group Life Insurance or a permanent plan of insurance with a private company
 - Steps to convert with a private company available at <http://benefits.va.gov/INSURANCE/converting>



SGLI Disability Extension

- Provides free extension of SGLI coverage for up to two (2) years to Veterans who:
 1. Separated with SGLI coverage, AND
 2. Are unable to obtain gainful employment continuously since separation OR have a statutory conditions regardless of employment status
- Maximum coverage is amount of SGLI at separation
- Member must apply for the coverage – not automatic
- Automatically converted to VGLI with first premium payment

SGLI Disability Extension

- Statutory conditions
 - Permanent loss of use of both hands
 - Permanent loss of use of both feet
 - Permanent loss of use of both eyes
 - Permanent loss of use of one hand and one foot
 - Permanent loss of use of one foot and one eye
 - Permanent loss of use of one hand and one eye
 - Total loss of hearing in both ears
 - Organic loss of speech (lost ability to express oneself, both by voice and whisper, through normal organs for speech - being able to speak with an artificial appliance is disregarded in determination of total disability)

SGLI Disability Extension

- How to Apply
 - Complete SGLV 8715, application available at:
http://www.benefits.va.gov/INSURANCE/forms/SGLV_8715.pdf
 - Application will be changing this summer and include physician's statement
 - Unless statutory, must include proof of inability to work
 - Only Veteran or Veteran's legally-appointed agent can complete application (i.e. POA, guardian)
 - Can still apply if already have VGLI and within two years of separation – if eligible, VGLI premiums paid are refunded
 - Determinations made by Office of Servicemembers' Group Life Insurance (OSGLI)
 - In event of death, if Veteran does not complete new beneficiary designation, payment based on SGLI designation

SGLI Disability Extension

- When the Extension Ends
 - Veteran receives two mailings 120 days and 60 days prior to end of Extension
 - 60-day notice includes bill for 1st VGLI premium
 - MUST pay 1st VGLI premium by end of Extension or coverage ends. If premium is not paid, member can apply for VGLI within one year of end of Extension, but must show good health.
- Recommendation
 - Remind your Veterans about the mailings and ensure they have paid the first VGLI premium
 - After VGLI is in effect, have your Veterans contact OSGLI and request automated monthly premium deductions from military retirement pay or VA compensation

Veterans' Group Life Insurance

- Provides lifetime renewable life insurance coverage to Veterans who separated with SGLI coverage
- If Veteran not eligible for SGLI-DE, they can immediately apply for VGLI
- Initial maximum coverage available is amount of SGLI at separation
- Premiums are age-based
- VGLI Buy-Up
 - Additional increments of \$25,000 at each 5 year anniversary of VGLI with no health review
 - Must be under age 60
 - Can only purchase up to current program maximum

Veterans' Group Life Insurance

- Great transition insurance for any separating Servicemember
 - Veterans should apply for VGLI first, then check out other options – don't wait until eligibility runs out!
- Ensures disabled Veterans can obtain life insurance coverage
 - Apply within 240 days from separation = **automatically approved, no health review**
 - Apply between 241 days and 1 year and 120 days from separation = must undergo health review
 - After 1 year and 120 days from separation – Cannot apply for VGLI

Veterans' Group Life Insurance

- How to Apply
 - Apply online or complete SGLV 8714
 - To access online or hard copy application, go to:
<http://benefits.va.gov/insurance/vgli.asp>
or
<https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal>
 - Only Veteran or agent can complete application – must include first premium payment
 - If incompetent, in event of death:
 - First 60 days of coverage: Payment based on SGLI beneficiary designation from service
 - After first 60 days: Payment “by law”
 - Recommendation: Elect on application to deduct future premium payments from military retirement or VA compensation

Family SGLI (FSGLI)

- FSGLI covers member's spouse and children while in service
- Coverage is automatic for SGLI insured members. However, as of January 2, 2013, members married to members must apply for this coverage.
- Coverage Levels
 - ✓ Spouse—maximum of \$100,000 or Servicemember's SGLI coverage, whichever is lesser amount
 - ✓ Dependent Children—\$10,000 each
- Premium Rates
 - ✓ Spouse—age, coverage amount
 - ✓ Children—no cost to member



Family SGLI (FSGLI)

- Member is automatically beneficiary of FSGLI coverage
- Coverage ends 120 days after certain events:
 - ✓ Member's separation from service
 - ✓ Member's death
 - ✓ Member's divorce from spouse
 - ✓ Member's cancellation of basic SGLI or FSGLI coverage
- Coverage cannot be converted to VGLI
- Spouse can convert coverage to a permanent plan of insurance with a private company without proof of good health within 120 days of any of above events
 - Key benefit if spouse is in poor health
 - Conversion steps at <http://benefits.va.gov/INSURANCE/converting>

Accelerated Benefits Option (ABO)

- Provides terminally-ill SGLI, FSGLI, and VGLI members the ability to access their death benefits prior to death
- Member receives up to 50% of the face value of their insurance in a lump sum payment, must elect in \$5,000 increments
- Member must have a written prognosis from a physician showing that he/she has nine (9) months or less to live
- \$\$ can be used for anything the member desires
- Reduces death benefit
 - Example:
 - Member had \$400,000
 - ABO paid of \$200,000
 - Beneficiary will receive \$200,000



Applying for ABO

- Member must be competent to apply
- Application
 - SGLV 8284 (SGLI/VGLI)
 - SGLV 8284A (Family SGLI)
- Part One - completed by member
- Part Two - completed by physician
- Part Three - BOS needs to verify SGLI coverage (if SGLI or FSGLI ABO)
- Application available at:
<http://benefits.va.gov/insurance/abo>

What is TSGLI?

- Modeled after Accidental Death and Dismemberment Coverage
- Provides short-term financial benefit to assist severely injured Servicemembers with expenses during their recovery process
- Provides benefit of \$25K - \$100k depending on injuries
- Many wounded and injured members you know may have already applied for the benefit.

What are the criteria for TSGLI Payments?

- Suffers a qualifying traumatic event while in service
- Covered by SGLI when traumatic event occurs except for retroactive period---10/7/2001 to 12/1/2005
- Suffers a qualifying loss – the loss can occur after service ends
- Loss is a direct result of the traumatic event
- Loss occurs within two (2) years of traumatic event
- Survives seven (7) days from date of traumatic event

What losses are covered?

- Major losses include:
 - Permanent loss of sight, hearing, speech
 - Amputations, Limb Salvage, & Paralysis
 - Severe Burns, Facial Reconstruction, & Coma
 - 15-day continuous inpatient hospitalization
 - Loss of Activities of Daily Living due to TBI or Other Traumatic Injuries
 - Genitourinary losses
- Some conditions excluded, such as illness and disease
- Go to <http://benefits.va.gov/insurance/tsgli> for full list of losses and detailed criteria for each

How does the application process work?

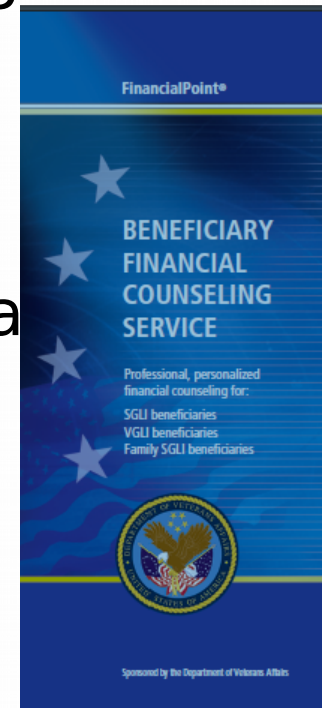
- Complete TSGLI application – SGLV 8600
 - Member completes Part A
 - If member is incompetent, POA/Guardian can apply for them
 - Member's medical professional completes Part B
 - TSGLI Program accepts Part B from DoD, VHA, and private practitioners
- Submit application to BOS TSGLI Office
- BOS TSGLI Office determines eligibility and sends determination to OSGLI
- OSGLI releases payment and/or BOS TSGLI Office sends denial letter

Beneficiary Financial Counseling Service

- BFCS is a free financial counseling benefit offered to beneficiaries of:
 - SGLI
 - VGLI
 - FSGLI (spousal coverage only)
 - TSGLI
- Beneficiaries can receive customized financial plan after answering a series of questions online
- Toll-free, 24/7 access to professional financial counselors to get answers to financial questions
- Face-to-face meeting with counselor available upon request

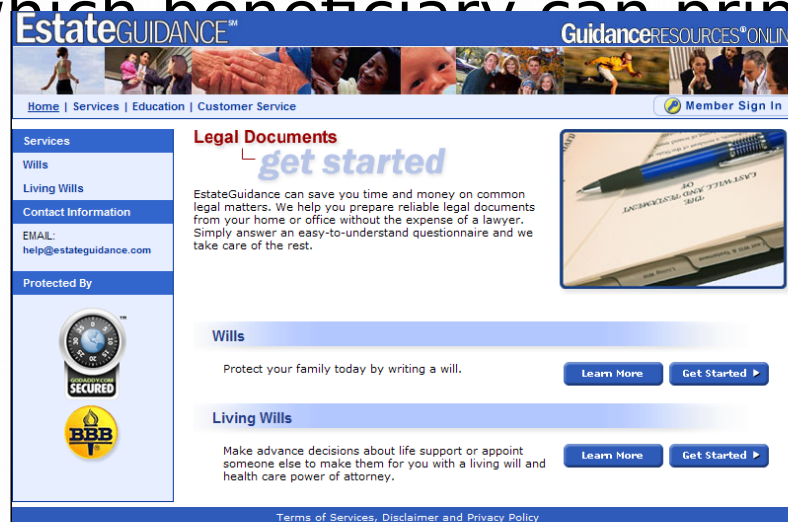
BFCS Basics

- Service provided by a third-party, independent counseling service
- BFCS does not provide advice about buying certain companies' investment products
- Lifetime access to service
- Information provided to beneficiary with claim payment



Online Will Preparation

- Enables beneficiaries to quickly and easily prepare a will without an attorney
- Beneficiary answers a series of questions online
- Results in a legally-binding will, valid in all 50 states, which beneficiary can print and sign



Service-Disabled Veterans' Insurance

- \$10,000 maximum basic coverage
- Must be discharged on or after April 25, 1951 under other than dishonorable conditions
- Must apply within two (2) years of a VA rating for a new service-connected disability
 - Individual Unemployability (IU) rating or increase in current rating does not re-open the application period
- Must be in good health except for service-connected disabilities

Service-Disabled Veterans' Insurance

- Waiver of premium on basic coverage available if:
 - Unable to obtain substantially gainful employment for six months beginning prior to turning age 65
 - Statutory condition
- Granting of waiver of premiums provides eligibility to obtain additional \$30,000 of supplemental coverage
 - Must apply within one (1) year of approval of waiver
 - Must pay for coverage

Service-Disabled Veterans' Insurance

- How to Apply
 - Basic coverage: Apply online or complete VA Form 29-4364
 - Waiver of premiums: Complete VA Form 29-357 OR write in on Basic Coverage application “Waiver” in premium box.
 - To access online or hard copy application, go to:
<http://benefits.va.gov/insurance/s-dvi.asp>
 - Only Veteran, VA appointed fiduciary or guardian can complete application for Veteran
 - If incompetent, in event of death, payment made to Veteran's estate

Gratuitous S-DVI (ARH)

Is issued posthumously to Veterans who:

- Would have met the basic S-DVI requirements
- Didn't apply due to mental incapacity from a service-connected disability
- \$10,000 maximum insurance payment
- Next of kin must apply within two (2) years of Veteran's date of death
- Payable only to spouse, child, or parent

Veterans' Mortgage Life Insurance

- Eligibility
 - Must receive specially-adapted housing grant – Veterans with statutory conditions
 - Have a mortgage on owned property
 - Must be purchased before age 70
- Coverage
 - Currently \$200,000 maximum
 - Decreasing term insurance that reduces with mortgage balance
- Benefit payable only to mortgage holder
- Active duty eligible



Veterans' Mortgage Life Insurance

How to Apply

- Will receive application upon receipt of specially-adapted housing grant

OR

- Apply online at
<http://benefits.va.gov/insurance/vmli.asp>

How much Insurance is available?

Maximum Insurance Available

SGLI-DE/VGLI	= \$400,000
S-DVI Basic	= \$ 10,000 (if VA rated)
S-DVI Supplemental	= \$ 30,000 (if totally disabled)
<u>VMLI</u>	= <u>\$200,000</u> (if have certain conditions)
Total	= \$640,000



Beneficiary Designations

- Determines who receives the proceeds
- Should be clear and specific
- Member can select any person, or a trust, or his estate, as beneficiary
 - Trust must be in effect to be named
- Changes cannot be compelled by state decree (i.e. divorce)
- Member still free to make changes at any time



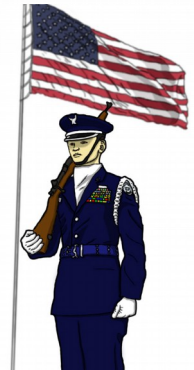
Outreach Unit

- Call recently separated Servicemembers to inform them of available insurance benefits
 - Identified from military disability and VA rat-
- Provide applications via mail
- Provide assistance in completing the applications
- Contacted almost 100,000 Veterans and provided over \$11.71 billion in benefits to Veterans
- Outreach Unit can assist you with insurance questions or applications, call 1-855-390-3536



Death Claims Filing

- In Service Deaths
 - SGLI and FSGLI Claims handled through Casualty Office and submitted to OSGLI for processing
 - SGLV 8283/8283A
- Out of Service Deaths
 - SGLI-DE/VGLI Claims handled directly by OSGLI – SGLV 8283
 - S-DVI and VMLI handled directly by VA – VA 29
- All claims forms available at <http://www.benefits.va.gov/INSURANCE/sglivgli.asp>



Insurance Website

www.benefits.va.gov/insurance/

General Questions on Applying for Benefits or Claims Status

- SGLI Programs
 - Toll free: 1-800-419-1473
- S-DVI and VMLI Programs
 - Toll free: 1-800-669-8477

Contacts for Questions

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